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ABSTRACT

In the past few years, union activists and some policymakers have increasingly portrayed part-time work as problematic for a worker. According to statistics compiled by the Bureau of Labor Statistics, the part-time "problem" is more rhetoric than reality. Only 17% of U.S. workers are classified as part-time. Of those 17%, 15% are voluntary part-time workers and only 1.8% (2.1 million workers) are involuntary part-time workers. Part-time employment has not increased significantly in the past 25 years. Most part-time workers are not responsible for supporting a family because they are members of families with two or more workers. The median annual family income of part-time workers is $44,506. The racial and ethnic breakdown of the part-time work force closely resembles that of the full-time labor force. Part-time jobs are held mostly by teenagers and females. According to new research, the skills required to perform the duties of part-time jobs are often lower than those required for full-time jobs. After skills differences and other personal differences are accounted for, the wage gap between part-time and full-time workers is nearly nonexistent. Recent Census Bureau data show that 70.5% of part-time workers are covered by health insurance, either through work or through coverage provided by other earners of the household. (MN)

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Correcting Part-time Misconceptions

Employment Policies Institute

July 2000

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The Employment Policies Institute is a nonprofit research organization dedicated to studying public policy issues surrounding employment growth. In particular, EPI research focuses on issues that affect entry-level employment. Among other issues, EPI research has quantified the impact of new labor costs on job creation, explored the connection between entry-level employment and welfare reform, and analyzed the demographic distribution of mandated benefits. EPI sponsors nonpartisan research which is conducted by independent economists at major universities around the country.

Correcting Part-time Misconceptions

In the last few years union activists and some policy makers have increasingly portrayed part-time work as problematic. Phrases such as "dangerous part-time work," "exploited part-time workers," "non-standard workers," and sound bites such as "part-time America doesn't work," are finding their way into mainstream media. Policy makers have described part-time work as "insecure," and a result of "defective growth," in proposed laws. These misconceptions could lead policy makers to "correct" a problem that does not exist.

In this document the Employment Policies Institute changes the debate by providing facts, rather than fictions, concerning part-time work.

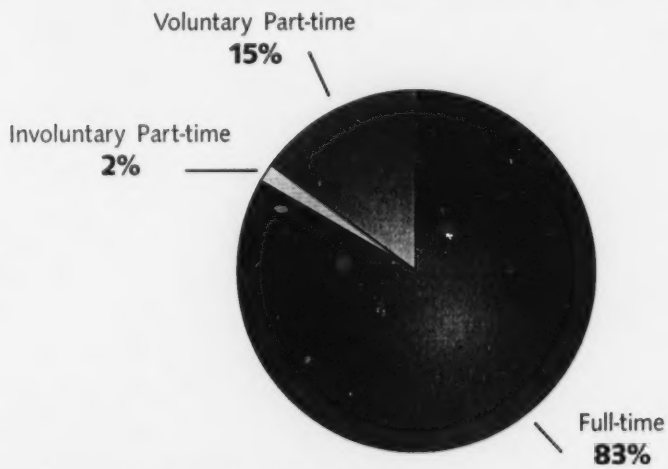
What is a part-time worker?

The Bureau of Labor Statistics (BLS), the primary government agency that collects employment statistics, defines part-time workers as those working fewer than 35 hours per week, while defining those working 35 hours or more per week as full-time. Of the 118 million wage and salary workers in the labor force, only 17 percent are classified as part-time.

Do most part-time workers want to work full-time?

No. The BLS breaks down the part-time work force into voluntary and involuntary classifications according to worker choice. Voluntary part-time employees choose to work part-time, whereas involuntary part-time employees choose to work full-time but only find part-time work available. Most readers will be surprised to learn that more than four out of five part-time workers *choose* to work part-time rather than full-time, presumably because of family, school, or other commitments. The 2.1 million involuntary part-time workers constitute only 1.8 percent of the U.S. work force.

Full-time, Voluntary and Involuntary Part-time Employees as a Percentage of the Entire Workforce: 1999

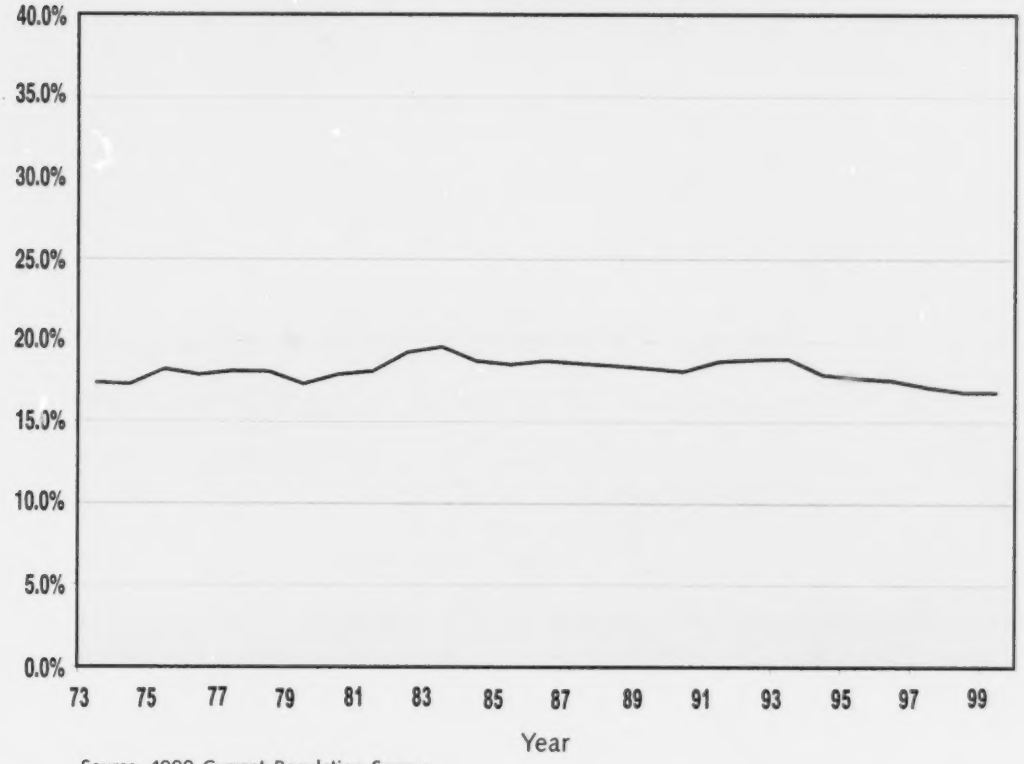


Source: 1999 Current Population Survey

Are part-time jobs replacing full-time jobs?

No, part-time employment is not on the rise. There has been no significant trend in jobs moving from full- to part-time status in the past twenty-five years. A comparison of equally industrialized nations over the 1982-92 period reveals that the U.S. was the only country not experiencing a rise in part-time employment as a share of total employment. Japan, Germany, France and the United Kingdom all saw their part-time employment shares increase.[1]

Percent of U.S. Workforce Working Part-time 1973–1999



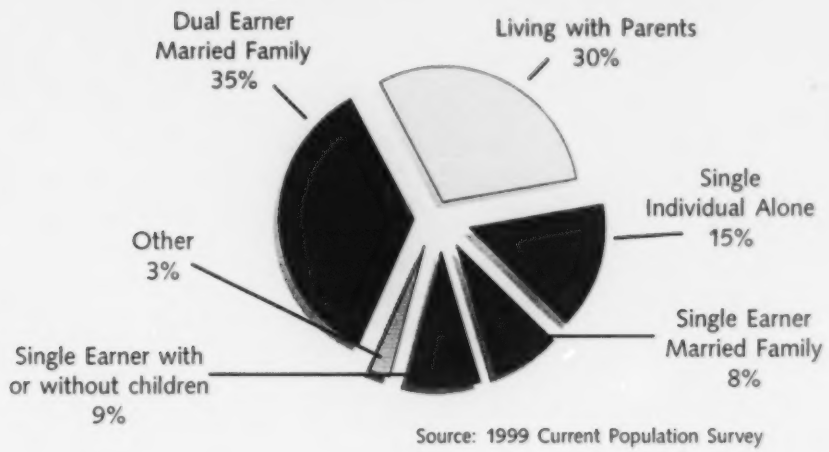
Source: 1999 Current Population Survey

How can a part-time worker support a family?

Most part-time workers are not responsible for supporting a family because they are members of families with two or more workers. In fact, 35 percent of part-time workers are members of married dual-earner families, 30 percent are children living with parents, 15 percent are single individuals living alone, and 8 percent are in married single-earner families. Only 9 percent of part-time workers are single earners with or without children. The average family income of a part-time employee is greater than $53,000.

[1] Data obtained from Eurostat, the Japan Bureau of Statistics and the Bureau of Labor Statistics, U.S. Department of Labor.

Part-Time Employees by Family Status: 1999


Dual Earner Married Family 35%
Living with Parents 30%
Single Individual Alone 15%
Other 3%
Single Earner Married Family 8%
Single Earner with or without children 9%

Source: 1999 Current Population Survey

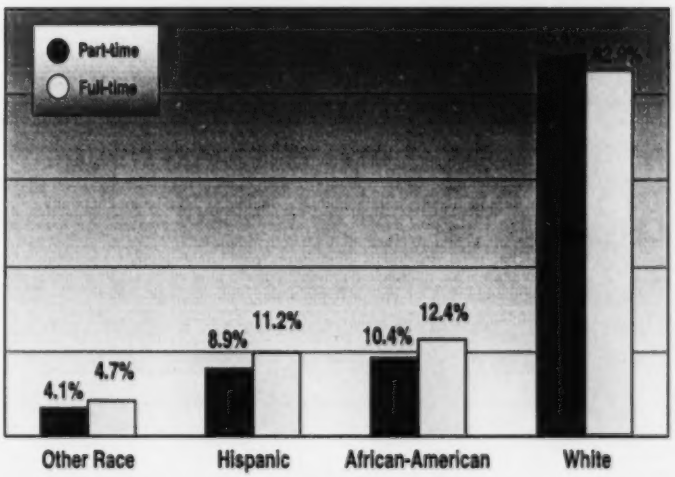
Do most part-time workers live in poverty?

No. The median family income of a *part-time* worker is $44,506 per year. This amount is roughly three times the $14,150 poverty level for a family of three. Six in ten part-time employees have family incomes of more than twice the poverty level for a family of three, and 30% have family incomes exceeding four times the poverty level for a family of three.

Are minorities over-represented among part-time workers?

Actually, the racial and ethnic breakdown of the part-time work force closely resembles that of the full-time labor force. In fact, white employees represent nearly 83 percent of the full-time labor force, but 85.4 percent of part-time workers. Black employees represent 12.4 percent of the full-time labor force

Race/Ethnic Status of Part-time Employees: 1999



Totals will not sum to 100% because Hispanics are included in both the White and Black population groups.
Source: 1999 Current Population Survey

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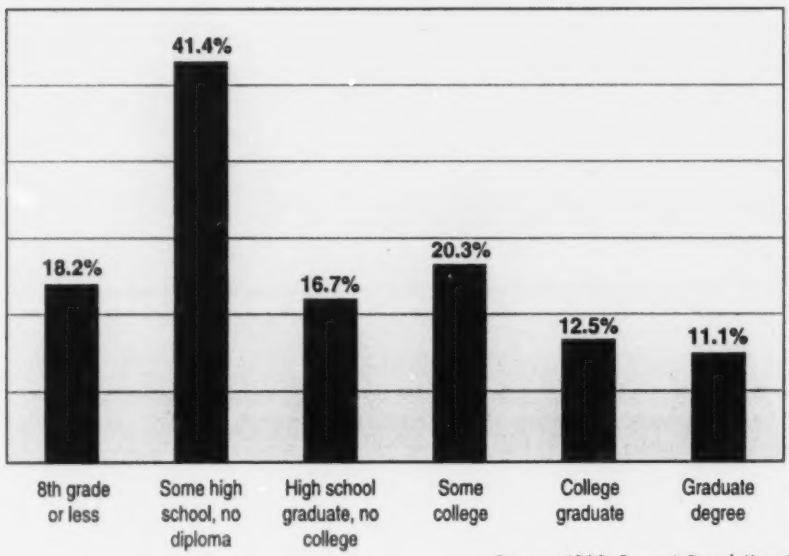
but only 10.4 percent of part-time workers. Hispanics (included in both the white and black population groups) represent 11.2 percent of the full-time labor force but only 8.9 percent of part-time workers.

Is part-time work concentrated among any demographic group?

Yes. Part-time work is concentrated within teenagers and females. Of the 2.6 million workers aged 16-17 years, 89 percent work part-time. This statistic is consistent with the fact that teenagers are often unable to take on the responsibilities of a full-time job while attending school.

Thirty-two percent of the 58 million women in the labor force work part-time. Although females are a very large demographic group, comprising almost half of the labor force, they account for 62 percent of all part-timers. The disproportionate part-time participation by females highlights the flexible scheduling needs of mothers who are unwilling or unable to take on a full-time position.[2]

Educational Attainment of Part-time Employees: 1999



Source: 1999 Current Population Survey

Does part-time work pay less than full-time?

No. According to new research studying part-time and full-time wages, the skills required to perform the duties of part-time jobs are often lower than those required for full-time jobs. Even though part-time jobs generally require less skill, it was found that when similarly skilled employees moved from part-time to full-time work their wages were nearly unchanged. Part-time women, 68% of the part-time workforce, earned only 1% less than similarly skilled full-time employees. Similarly skilled men experienced an only slightly larger 4% wage disparity for part-time work. Comparisons based on simple group average wages greatly overestimate the difference between part-time and full-time employees. After accounting for skills and other personal differences the wage gap is nearly non existent.

[2] Data for this section is summarized from Bureau of Labor Statistics releases.

Is cost the primary motivation for hiring part-time workers?

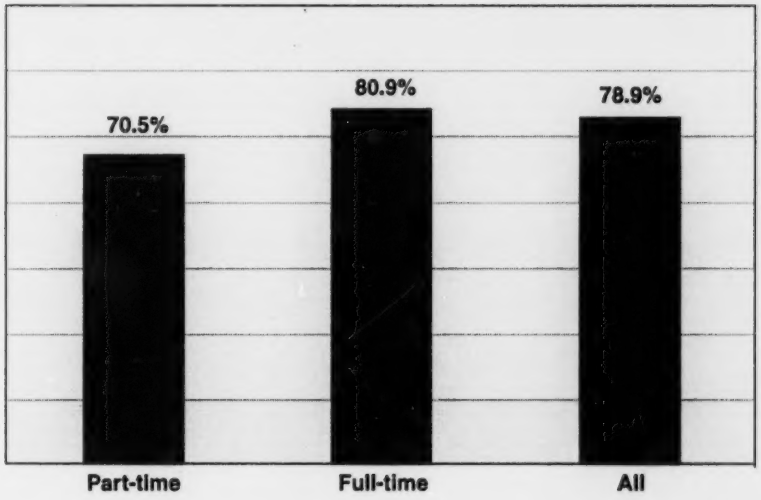
Thirty-six percent of all retail workers (including restaurants) are employed part-time. The uneven workflow at these establishments creates "rush hours" when more employees are needed for short periods of time. Likewise, slow periods of the workday require fewer workers.

The Entertainment and Recreation Industry also maintains 37% part-time employees. Thirty-five percent of Personal Services employees are part-time. Because of the nature of their operations, such occupations often cannot provide a traditional full-time arrangement to their employees. Hence, it is often job structure rather than cost considerations that necessitates the hiring of part-time workers.

Do part-time workers have access to health care?

Recent Census Bureau data show that 70.5 percent of part-time workers are covered by health insurance, either through work or through coverage provided by other earners in the household. This can be compared to the 80.9 percent of full-time workers that are covered (or the 65.8 percent of full-time workers that receive health insurance coverage from their employer). Overall, 78.9 percent of workers are covered by health insurance.

Health Care Coverage of Part-time, Full-time and All Workers:



Source: 1999 Current Population Survey

Are most part-time workers employed by big business?

No, the majority of part-timers work for small businesses. According to 1992 Census data, more than half of part-timers work in firms with 100 employees or fewer. This is because retail trade and service firms account for more than half of small businesses, and part-time work is concentrated in these industries. Because small businesses are more reliant on part-time workers than are large corporations, the effects of mandates that employers provide "equal pay" or duplicative health benefits to part-timers would fall disproportionately upon small businesses.

Conclusion

The part-time "problem" to which union leaders and their supporters refer is more rhetoric than reality. The facts are clear. Most part-time workers choose to work part-time because of other interests. Part-time workers are not replacing full-time workers as a share of the total work force. Most part-timers are not responsible for supporting a family, and few live in poverty. Minorities and single parents comprise only small fractions of the part-time labor force. The vast majority of part-time workers have access to health insurance, and most firms employ part-timers because of job structure rather than cost considerations. Before policy makers enter into debate over how to address the "part-time problem" in this country, they must first determine if the "problem" even exists.